

# HFMA Releases Provider-Patient Financial Communications Best Practices

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Healthcare financial interactions are often complex and confusing for patients and can involve complicated payment structures and various “key players.” As patients become responsible for greater proportions of their healthcare costs, effective communication between providers and patients is more important than ever. To address this increasingly important issue, on October 28, 2013, the Healthcare Financial Management Association (HFMA) released the final draft of “best practices” to promote consistency, clarity and transparency in financial communications between health care providers and patients. Boasting over 40,000 members, HFMA is a trade organization for healthcare financial management executives and leaders. An initiative of HFMA entitled “[Patient Friendly Billing](#)” is a mechanism for promoting clear, concise and correct patient-friendly financial communications. The HFMA guidelines are the culmination of a process that began in May 2012, when a steering committee was established to develop standards for patient financial interactions. The steering committee included experts across the health care industry, including patient advocates and representatives from the American Hospital Association, America’s Health Insurance Plans, American Academy of Family Physicians, Harvard Medical School, and the National Patient Advocate Foundation. The steering committee was also advised by national healthcare policymakers including former HHS Secretaries Michael Leavitt and Donna Shalala, as well as former Senate Leaders Bill Frist and Tom Daschle and Clinton Administration Deputy Attorney General, Jamie Gorelick. Following its 2013 national institute, the HFMA released its newly drafted list of best practices for transparent financial interactions with patients, and opened them for public comment until July 31. The recently released final version of the guidelines incorporates minor changes to the draft released in June. This final publication is the culmination of that process. The best practices provide detailed guidance on when and how communications should occur between patients and providers about issues related to insurance coverage, financial counseling, financial responsibility for service and existing balances. Several items listed among the committee's recommended best practices for discussing financial issues with patients — in accordance with EMTALA regulations —

include:

- Gathering basic insurance registration information, as well as determining whether the patient may require financial assistance.
- Informing patients their ability to pay will not impact their emergency or nonelective care.
- Reviewing insurance eligibility details to ensure accuracy of payment information.
- Clarifying that patients must make payment arrangements and may need to pay outstanding bills from the hospital or have elective services deferred.
- Giving patients the opportunity to include an advocate or family member to assist them in discussions.
- Giving patients information and phone numbers for financial assistance programs with their discharge paperwork.

Additionally, the guidelines also detail preferred financial communications in several settings – before service, in the emergency department, and in other care settings. Starting immediately, hospitals, physician practices, surgery centers, and other healthcare organizations have the opportunity to achieve HFMA's Patient Financial Communications Adopter recognition, designed for organizations seeking to demonstrate a core commitment to the best practices and who self-identify as adopters. Through the evaluation process, organizations will be able to identify which practices they have implemented and which areas need further work. No on-site review by HFMA staff is involved and the Adopter recognition is valid for two years. Organizations achieving this status are allowed to use the phrase "Supporter of the Patient Financial Communications Best Practices" in their marketing materials. Adopter organizations also will receive a certificate and will be listed on HFMA's website and quarterly in HFMA's magazine. It is recommended that health care legal counsel or compliance professional not directly involved in patient financial communications assist with the application. Additionally, in 2014, HFMA will launch an additional level of recognition that involves an audit and validation of excellence in patient financial communications throughout the provider organization and is designed to recognize mastery of the fundamental components of the best practices. In an era where patient financial responsibility is expected to continue to grow rapidly as a percentage of overall provider revenue, it is increasingly critical for healthcare providers to collect patient payments in compliance with state and federal law. Likewise, it is also crucial that they understand the huge impact that activities related to patient payment (such as collections) can have on patient satisfaction, patient engagement and clinical outcomes. Provider should consider utilizing the newly issued HFMA best practices as a tool in achieving efficient and effective communication with patients. Should you or your organization have questions with regard to the newly issued best practices or state and federal regulations governing health care collection practices, please do not hesitate to contact [Radha Bachman](#) of the Carlton Fields Health Care Compliance team.

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